

**In The Matter Of:**

*IN RE: REFCO, INC. SECURITIES LITIGATION*

---

*WALTER THOMAS PRICE, III - Vol. 1*  
*January 18, 2012*

---

**MERRILL CORPORATION**

**Legalink, Inc.**

225 Varick Street  
10th Floor  
New York, NY 10014  
Phone: 212.557.7400  
Fax: 212.692.9171

WALTER THOMAS PRICE, III - 1/18/2012

Page 1

30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

In Re REFCO, INC.	)	
	)	Case No.
SECURITIES LITIGATION	)	07-MD-1902 (JSR)
	)	
- - - - -	)	
MARC S. KIRSCHNER, as Trustee	)	
of the Refco Private Actions	)	
Trust,	)	
	)	
Plaintiff,	)	
	)	Case No.
vs.	)	07-CV-8165 (JSR)
	)	
PHILLIP R. BENNETT, et al.,	)	
	)	
Defendants.	)	

Videotaped 30(b)(6) deposition of ROGERS FUNDS, by and through its representative WALTER THOMAS PRICE, III, taken before NADINE J. WATTS, CSR, RPR, and Notary Public, pursuant to the Federal Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, at Suite 3700, 35 West Wacker Drive, in the City of Chicago, Cook County, Illinois, at 9:25 o'clock a.m. on the 18th day of January, A.D., 2012.

WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 26</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 A It came after that.</p> <p>3 Q You've touched upon what some of these groups</p> <p>4 are already, but just so I'm clear, I want an</p> <p>5 understanding of what your role was in connection with</p> <p>6 these companies and what your ownership interest was in</p> <p>7 these companies.</p> <p>8 So, first, Price Futures Group, that's your</p> <p>9 commodities firm?</p> <p>10 A Are we talking prior to the ESOP?</p> <p>11 Q Right. So I'm not talking about today.</p> <p>12 A Right.</p> <p>13 Q That's a good clarification. I'm talking about</p> <p>14 in the 2004, 2005 time period and I guess up until all</p> <p>15 these entities were rolled into Price Holdings in 2010.</p> <p>16 A Correct. The Price Futures Group owned a</p> <p>17 hundred percent of it, the commodity trading, yes.</p> <p>18 Price Asset Management owned a hundred percent of it.</p> <p>19 Fund Dynamics, if it existed during that timeframe, I'm</p> <p>20 not -- I don't really remember if it did, owned a</p> <p>21 hundred percent of it.</p> <p>22 Q What did that company do, sir?</p> <p>23 A And it's actually an administrator for other</p> <p>24 funds.</p> <p>25 Q Atrium Securities?</p>	<p style="text-align: right;">Page 28</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 that all the necessary documents were prepared, filed</p> <p>3 with the necessary regulatory bodies.</p> <p>4 Q During what timeframe, sir, did you work for</p> <p>5 Beeland Management Company?</p> <p>6 A I want to say that it started in late 2002, and</p> <p>7 I'm still -- still CEO of Beeland.</p> <p>8 Q Okay. So as you sit here today, you're still</p> <p>9 president and CEO of Beeland Management?</p> <p>10 A Correct.</p> <p>11 Q What is the business purpose of Beeland</p> <p>12 Management Company, sir?</p> <p>13 A It's the -- it's the general partner of the</p> <p>14 Rogers Raw Material Fund, private fund, Rogers</p> <p>15 International Raw Material Fund, which is an offshore</p> <p>16 fund, the Rogers International Materials Fund, which is</p> <p>17 a public fund.</p> <p>18 Q In your position as the president and CEO of</p> <p>19 Beeland, to whom do you report, if anyone, sir?</p> <p>20 A I'm pretty well -- To the regulators.</p> <p>21 Q Do any employees or officers within the company</p> <p>22 report directly to you?</p> <p>23 A Yes.</p> <p>24 Q How many?</p> <p>25 A Two.</p>
<p style="text-align: right;">Page 27</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 A Atrium Securities did exist, and I was a hundred</p> <p>3 percent owner of Atrium.</p> <p>4 Q What did that company do?</p> <p>5 A It was simply a direct participation</p> <p>6 broker/dealer. It was really set up just to handle a</p> <p>7 commodity fund.</p> <p>8 Q And then Uhlmann Price?</p> <p>9 A Uhlmann Price did exist, and I was, I'm going to</p> <p>10 say, an 80 -- during that timeframe I was either an 81</p> <p>11 percent owner or a 28 percent owner. I'd have to go</p> <p>12 back and check, because I made sure that the</p> <p>13 ownership -- the people that ran the business had the</p> <p>14 proper ownership after I bought Fred Uhlmann's majority</p> <p>15 interest.</p> <p>16 Q How many other owners of Price Uhlmann were</p> <p>17 there?</p> <p>18 A I believe four.</p> <p>19 Q That was a securities firm?</p> <p>20 A It is a securities firm.</p> <p>21 Q Did you also work in that timeframe with a</p> <p>22 company called Beeland Management Company?</p> <p>23 A I did.</p> <p>24 Q What was your position or role at Beeland?</p> <p>25 A I was the CEO. And my role was to make sure</p>	<p style="text-align: right;">Page 29</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 Q What are their names?</p> <p>3 A We have Allen Goodman. Allen Goodman and Lori</p> <p>4 Sampson. Lori Sampson.</p> <p>5 MR. MCGURK: Can you spell that?</p> <p>6 THE WITNESS: S-A-M-P-S-O-N.</p> <p>7 BY MR. DOYLE:</p> <p>8 Q Mr. Goodman was there in 2004, 2005, correct?</p> <p>9 A Correct.</p> <p>10 Q Was Ms. Sampson?</p> <p>11 A I don't believe so.</p> <p>12 Q What are their responsibilities at Beeland?</p> <p>13 A Lori is comptroller and looks at the -- looks</p> <p>14 after the filings. And Allen is a financial officer and</p> <p>15 computes pursuant to the rule book the rolls for the --</p> <p>16 for the Rogers Funds.</p> <p>17 Q And, sir, back in 2004, 2005 were you also the</p> <p>18 president of these other -- these other entities that</p> <p>19 you've mentioned; namely, Price Futures Group, Price</p> <p>20 Asset Management, Atrium Securities, Uhlmann Price and</p> <p>21 Fund Dynamics?</p> <p>22 A No, I was not -- I was not president. Well, I</p> <p>23 may well have been. I may well have been of Uhlmann</p> <p>24 Price. I think that Uhlmann Price -- So I tried to move</p> <p>25 that -- When I made earlier mention of an 81 percent</p>

8 (Pages 26 to 29)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law

WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 78</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 A Prior to?</p> <p>3 Q 2005.</p> <p>4 A No.</p> <p>5 Q In the year 2005 did Beeland or the Rogers Funds</p> <p>6 have discussions with Refco about entering into a</p> <p>7 potential business relationship with it?</p> <p>8 A Beeland did, yes.</p> <p>9 Q When is the first time that you heard anything</p> <p>10 about the possibility of Refco and Beeland exploring</p> <p>11 some type of business relationship with one another?</p> <p>12 A I think it was in the -- maybe the spring of</p> <p>13 2005.</p> <p>14 Q Can you pinpoint a month to the best of your</p> <p>15 recollection?</p> <p>16 A No, but, you know, I recall that it was either</p> <p>17 the spring or the beginning of the summer that -- when I</p> <p>18 first became aware that there were talks going on.</p> <p>19 Q How did you first become aware of those talks?</p> <p>20 A I became aware of them because -- It was in my</p> <p>21 prior testimony. I've done this for roughly 10 years.</p> <p>22 Somewhere around 2005, my earlier testimony was, that I</p> <p>23 came in to try to right the ship, and I think I got that</p> <p>24 done. And then I said to Jim Rogers that, you know, I'd</p> <p>25 like to spend more time on my own stuff and that they</p>	<p style="text-align: right;">Page 80</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 When I began to talk to Robert, I had a fairly</p> <p>3 lengthy contract drawn up for him, which tied down a lot</p> <p>4 of things that would have said if you are a Trojan</p> <p>5 horse, you're going to be in trouble. Beeland just</p> <p>6 didn't feel comfortable with a guy that's all of sudden</p> <p>7 shown up from Refco, because he -- And immediately</p> <p>8 thereafter they began to have meetings with Refco, and</p> <p>9 Refco expressed an interest in acquiring Jim's interest</p> <p>10 in Beeland.</p> <p>11 In fact, I think they expressed interest in</p> <p>12 acquiring all of Beeland. And, of course, in doing so,</p> <p>13 Refco would have requested that they execute all the</p> <p>14 trades, they get all the execution business. And that</p> <p>15 also would have taken it away from Price, and I think</p> <p>16 that they wanted all of the sales to go to Refco</p> <p>17 Securities, which would have taken it away from Uhlmann</p> <p>18 Price.</p> <p>19 Now, if you've got a bunch of men that have</p> <p>20 earned their living and they've got clients out there,</p> <p>21 you want to make sure that everything is as transitional</p> <p>22 as smooth as you can. I considered it a little bit of a</p> <p>23 slap in the face to us because we took a company that</p> <p>24 really did have some problems, righted the ship, and I</p> <p>25 think got it to where it was. But I had to look at it</p>
<p style="text-align: right;">Page 79</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 needed to get a full-time CEO in there because it was a</p> <p>3 full-time job. And he sent a fellow in to see me by the</p> <p>4 name of Robert Mercorella, and I think this could be a</p> <p>5 good guiding point.</p> <p>6 And I think I made myself very clear with</p> <p>7 Robert that -- He came from Refco. And obviously we had</p> <p>8 invested time and money to get everything turned around</p> <p>9 within the Price Group, Price Futures Group, and Uhlmann</p> <p>10 Price, and I wanted to make sure that we protected that</p> <p>11 interest to the degree we could. And I wanted to also</p> <p>12 make sure that Robert Mercorella was not -- And I asked</p> <p>13 him pointblank, are you a Trojan horse? And he said</p> <p>14 absolutely not.</p> <p>15 Q What did you mean by that term, sir?</p> <p>16 A I think everybody knows what a Trojan horse is.</p> <p>17 It's someone sent in under the cover of night somewhat</p> <p>18 to do -- to do a job that maybe is not what it proposes</p> <p>19 to be.</p> <p>20 It was somewhere in that area that I began to</p> <p>21 learn that maybe talks had been held as early -- and</p> <p>22 it's only hearsay on my part -- as early as maybe the</p> <p>23 FAI convention in the early part of that year maybe with</p> <p>24 Joe Murphy, president of Refco. But really nothing had</p> <p>25 been done.</p>	<p style="text-align: right;">Page 81</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 for what it was. If a majority owner wants to sell his</p> <p>3 interest, in the world that I live in, you can do that.</p> <p>4 And so that's when the talks got in earnest.</p> <p>5 And I hope I'm not confusing you with this, but</p> <p>6 hopefully I'm giving you a little bit of a time line as</p> <p>7 to what happened. Robert Mercorella is in, he's with</p> <p>8 us. We're at a White Sox game. He decided he's going</p> <p>9 back to Refco. He never comes back again. We don't</p> <p>10 know what happened, and we begin to say, well, this is</p> <p>11 going to be -- And it was a Trojan horse.</p> <p>12 Q Okay.</p> <p>13 A To this day I believe it was a Trojan horse.</p> <p>14 Q I do appreciate all that information. It</p> <p>15 doesn't confuse me. It's helpful. But let me back up</p> <p>16 and try to take this a little slower through some</p> <p>17 stages.</p> <p>18 When you first caught wind of a proposed</p> <p>19 business arrangement between Beeland and Refco in the</p> <p>20 spring or maybe even a little earlier of 2005, what did</p> <p>21 you understand was being discussed at that point?</p> <p>22 A What I understood was that Jim Rogers was --</p> <p>23 Actually, let me change that. What I understood was</p> <p>24 that Refco was telling me that they were going to try to</p> <p>25 make the deal with Jim to make Beeland and the Refco --</p>

21 (Pages 78 to 81)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law

WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 82</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 I mean the Rogers Funds a flagship account for the</p> <p>3 Rogers -- for the Refco Alternatives Services. I</p> <p>4 believe that's the name of it.</p> <p>5 And they had laid out a very nice proposal as</p> <p>6 far as glossy prints and logos and things that we had</p> <p>7 not done. We had basically just been foot soldiers</p> <p>8 doing our job. And that's when we began to talk to -- I</p> <p>9 called Jim when I was talking -- hearing this from some</p> <p>10 of the Refco people, and I said what's going on and what</p> <p>11 does this mean for Price and Uhlmann Price? He said,</p> <p>12 well, there's really not much to it, something may</p> <p>13 develop, et cetera. But I think in retrospect and going</p> <p>14 back and reading old depositions four and five years</p> <p>15 ago, I think that I was probably three or four months</p> <p>16 behind the curve.</p> <p>17 Q In terms of being in the know about what the --</p> <p>18 A Right.</p> <p>19 Q -- true nature of the business relationship that</p> <p>20 was being proposed was?</p> <p>21 A I think so, yes.</p> <p>22 Q And I would just caution you, Mr. Price, we're</p> <p>23 falling into a trap every now and again where we speak</p> <p>24 over one another. And so I'll remind you, as I did at</p> <p>25 the beginning of the deposition, to try to wait for my</p>	<p style="text-align: right;">Page 84</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 document than I'm directing you to, Mr. Price, just let</p> <p>3 me know and I'll let you go ahead and do that, but my</p> <p>4 motus operandi generally is going to be to plunge right</p> <p>5 in and direct you to certain portions of documents.</p> <p>6 Again, if you need to take a step back and read</p> <p>7 a sentence in context or read an entire page or passage</p> <p>8 of a document in order to be in a position to fairly</p> <p>9 answer my questions, you'll let me know that, right?</p> <p>10 A Sure.</p> <p>11 Q Okay, great. My first question is, have you</p> <p>12 seen this letter before, Mr. Price?</p> <p>13 A No.</p> <p>14 Q So when you talked earlier about coming in with</p> <p>15 glossy presentations and things of that nature, this was</p> <p>16 not a document that you were referring to; is that true?</p> <p>17 A No.</p> <p>18 MR. RAND: Objection to form.</p> <p>19 BY MR. DOYLE:</p> <p>20 Q This is a lengthy letter from Refco's CEO Phil</p> <p>21 Bennett to two other individuals dated May 6th, 2005; is</p> <p>22 that correct?</p> <p>23 MR. McGURK: I believe it appears to be --</p> <p>24 MR. RAND: Objection to form.</p> <p>25 MR. McGURK: -- three individuals, the cover</p>
<p style="text-align: right;">Page 83</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 entire question, and I'll try not to -- do my best not</p> <p>3 to interrupt you as well. But all that information is</p> <p>4 helpful. I appreciate it.</p> <p>5 Did the -- As you understand it, did the</p> <p>6 discussion about this proposed business deal between</p> <p>7 Beeland and Refco progress so that it was initially</p> <p>8 Refco taking over some of the functions that had been</p> <p>9 historically performed by some of your entities and then</p> <p>10 later a discussion of a complete buy-out of Jim Rogers'</p> <p>11 interest in Beeland?</p> <p>12 A Correct.</p> <p>13 Q That's generally the progression?</p> <p>14 A That's generally the progression.</p> <p>15 Q Okay. Let me show you a few documents that</p> <p>16 might help all of us piece some of this together.</p> <p>17 Could you mark this as the next exhibit please.</p> <p>18 (Document marked as Deposition</p> <p>19 Exhibit 3292 for identification.)</p> <p>20 Q Mr. Price, I've had placed before you what's</p> <p>21 just been marked as Exhibit 3292. And, for the record,</p> <p>22 it's a multipage document bearing Bates Nos.</p> <p>23 REFCO-HC-0526629 through 6656.</p> <p>24 And if at any point in time you believe that in</p> <p>25 order to answer my question you need to read more of the</p>	<p style="text-align: right;">Page 85</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 letter.</p> <p>3 THE WITNESS: No, there's two, Lionel and</p> <p>4 Stephan.</p> <p>5 BY MR. DOYLE:</p> <p>6 Q I thought I said to Jim Rogers and then two</p> <p>7 other people.</p> <p>8 A Yes, that's correct.</p> <p>9 Q All right. Is that correct, Mr. Price?</p> <p>10 A That's correct.</p> <p>11 Q Okay. Who are the two other individuals that</p> <p>12 are addressees on this letter?</p> <p>13 A Lionel Motiere and Stephan Wroble. They are</p> <p>14 principals of Diepason. I don't know their titles, but</p> <p>15 they're part of the ownership of Diepason.</p> <p>16 Q Have you interacted with them in the past?</p> <p>17 A I've met Lionel once in our office. I've never</p> <p>18 met Stephan. I do sit on Jim Rogers' Index Committee.</p> <p>19 Diepason sits on that same committee.</p> <p>20 Q I want to direct you to the very first paragraph</p> <p>21 of this letter. It states that Refco Group Limited, LLC</p> <p>22 is pleased to provide Beeland Management Company,</p> <p>23 LLC/Diepason Commodities Management the following</p> <p>24 proposal to provide FX and futures execution and</p> <p>25 clearing services, fund distribution, fund</p>

22 (Pages 82 to 85)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law

WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 110</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 he was going to be in charge of the Rogers Funds. And</p> <p>3 so, effectively, they would have been, you know, moving</p> <p>4 it back to -- Assuming -- assuming that -- There's been</p> <p>5 some assumptions in here.</p> <p>6 There's an assumption that Refco bought Beeland</p> <p>7 and the minorities out, which never really occurred, but</p> <p>8 everybody at Refco thought it was going to occur,</p> <p>9 including Robert. And so really it was, if you want to</p> <p>10 say, the cart before the horse. They were running</p> <p>11 before they were walking on this deal.</p> <p>12 Q So if I understand your testimony, there was so</p> <p>13 much momentum for a business deal pursuant to which</p> <p>14 Refco would purchase Beeland Management and, therefore,</p> <p>15 take over management of the Refco funds that</p> <p>16 Mr. Mercorella felt comfortable just leaving Beeland and</p> <p>17 going back to Refco, which he believed to be very soon</p> <p>18 the operator of the Rogers Funds going forward?</p> <p>19 MR. RAND: Objection to form.</p> <p>20 THE WITNESS: You have a much better way of</p> <p>21 words than I do.</p> <p>22 MR. DOYLE: Mr. Rand doesn't think so, so</p> <p>23 I'll take it -- so I'll take the compliment.</p> <p>24 Q Sir, I take it there was never any agreement</p> <p>25 executed that would have allowed Refco to purchase any</p>	<p style="text-align: right;">Page 112</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 Bates Nos. REFCO-0008-151344 through 47.</p> <p>3 Have you seen this document before, sir?</p> <p>4 A No, I have not.</p> <p>5 Q Okay. This document contains two e-mails that</p> <p>6 were authored by David Henritze dated August 25th and</p> <p>7 August 24th respectively, correct?</p> <p>8 A August 25th and, correct, August 24th.</p> <p>9 Q Okay. I just have a few quick questions about</p> <p>10 this. If you look at the second e-mail, which is</p> <p>11 actually the one that came first in time, from</p> <p>12 Mr. Henritze to Joe Murphy on August 24th, 2005 --</p> <p>13 A Right.</p> <p>14 Q -- the subject is purchase of Jim Rogers'</p> <p>15 ownership. Do you see that?</p> <p>16 A I do.</p> <p>17 Q And in the very first sentence it says, Joe, as</p> <p>18 you know, Jim Rogers has agreed to sell his 69 percent</p> <p>19 ownership in Beeland Management Company, LLC and his 58</p> <p>20 percent ownership in Diepason Commodities Management SA</p> <p>21 for \$8 million. Do you see that?</p> <p>22 A I do.</p> <p>23 Q Do you ever remember \$8 million being the price</p> <p>24 that Mr. Rogers would be compensated for his ownership</p> <p>25 interest in those two companies?</p>
<p style="text-align: right;">Page 111</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 ownership interest in Beeland, correct?</p> <p>3 A None to my knowledge.</p> <p>4 Q And so that deal fell through at some point?</p> <p>5 A I believe so.</p> <p>6 Q Okay. When did it fall through?</p> <p>7 A I think there was still an ongoing, in progress.</p> <p>8 When -- It's not when did that fall through. I think</p> <p>9 it's when Refco fell through.</p> <p>10 Q So obviously the events that precipitated the</p> <p>11 Refco bankruptcy had something to do with this</p> <p>12 transaction not being consummated; is that fair to say?</p> <p>13 A Absolutely.</p> <p>14 Q Okay. Let me show you one more document, sir,</p> <p>15 that relates to this -- the discussions between Refco</p> <p>16 and Beeland about a proposed business transaction.</p> <p>17 I'd ask the court reporter to mark this as</p> <p>18 Exhibit 3295.</p> <p>19 (Document marked as Deposition</p> <p>20 Exhibit 3295 for identification.)</p> <p>21 MR. McGURK: Is yours double-sided?</p> <p>22 THE WITNESS: (Nodding head.)</p> <p>23 BY MR. DOYLE:</p> <p>24 Q Sir, I've had placed before you Exhibit 3295,</p> <p>25 which, for the record, is a multipage document bearing</p>	<p style="text-align: right;">Page 113</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 A No, I was never privy to any of that -- those</p> <p>3 conversations.</p> <p>4 Q The first e-mail, if you turn to the front page,</p> <p>5 from Mr. Henritze to Phil Bennett, which copies Joe</p> <p>6 Murphy, states in paragraph 3 that under the current</p> <p>7 proposal, quote, Refco/RAI will own 100 percent of</p> <p>8 Beeland Management Company, LLC versus 35 percent as</p> <p>9 proposed in the original NEWCO structure. Do you see</p> <p>10 that language?</p> <p>11 A I do.</p> <p>12 Q Do you have an understanding of what this</p> <p>13 reference to the original NEWCO structure is?</p> <p>14 A If you'll give me a moment and let me read it.</p> <p>15 Okay. I see it, but I'm not clear on what</p> <p>16 the -- The Refco/RAI will own a hundred percent, I</p> <p>17 understand that, of Beeland Management versus 35 percent</p> <p>18 as proposed in the original NEWCO structure. I never</p> <p>19 saw the original NEWCO structure.</p> <p>20 Q So it's fair to say you were not involved in any</p> <p>21 of these discussions or negotiations, correct?</p> <p>22 A Embarrassingly, no.</p> <p>23 Q And why do you say embarrassingly?</p> <p>24 A Well, it's embarrassing to sit here in front of</p> <p>25 you guys and do this and tell you that stuff that went</p>

29 (Pages 110 to 113)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law



WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 114</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 on in a company that I was head of, I didn't seem to</p> <p>3 know what was going on.</p> <p>4 Q Looking back on it now, you would have</p> <p>5 appreciated being looked in on some of these</p> <p>6 discussions; is that fair to say?</p> <p>7 A In a round about way, no, but, yes, I think I</p> <p>8 should have been.</p> <p>9 Q My last question about this document, sir, is</p> <p>10 there's a reference to a switch in the proposal from a</p> <p>11 35 percent buy-out by Refco of Beeland to a hundred</p> <p>12 percent buy-out. Do you have any specific recollections</p> <p>13 of when that shift occurred?</p> <p>14 MR. RAND: Objection to form.</p> <p>15 THE WITNESS: Since I'm not familiar with the</p> <p>16 35 percent, I have no idea where the hundred percent</p> <p>17 would come from. I mean, it was always my understanding</p> <p>18 that they would want to acquire a hundred percent.</p> <p>19 MR. DOYLE: Let's take our lunch break.</p> <p>20 THE VIDEOGRAPHER: We are going off the</p> <p>21 record at 12:29.</p> <p>22 (Lunch recess was taken.)</p> <p>23 THE VIDEOGRAPHER: We are going back on the</p> <p>24 record at 1:10.</p> <p>25 BY MR. DOYLE:</p>	<p style="text-align: right;">Page 116</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 Exhibit 3296 for identification.)</p> <p>3 BY MR. DOYLE:</p> <p>4 Q Mr. Price, only because you asked for it, I'm</p> <p>5 showing you a copy of what I've just had marked as</p> <p>6 Exhibit 3296, which, for the record, bears Bates Nos.</p> <p>7 REFCO-E-028184221 through 226.</p> <p>8 And you can see that this document on the first</p> <p>9 page has an e-mail, it's dated October 4th, 2005, and</p> <p>10 then the remaining pages are the draft of what's labeled</p> <p>11 a standstill agreement. Correct?</p> <p>12 A Correct.</p> <p>13 Q Okay. Take as much time as you need to review</p> <p>14 it since you wanted to see this document to refresh your</p> <p>15 recollection, and then let me know when you've had an</p> <p>16 opportunity to read it. I only have a few questions</p> <p>17 regarding it.</p> <p>18 A Okay. I vaguely remember that there was a</p> <p>19 standstill agreement.</p> <p>20 Q Okay. And having reviewed Exhibit 3296, sir,</p> <p>21 does that refresh your recollection as to the reason</p> <p>22 that the parties were negotiating a standstill agreement</p> <p>23 in early October 2005?</p> <p>24 A It -- it really doesn't. May I ask a question?</p> <p>25 Q Sure.</p>
<p style="text-align: right;">Page 115</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 Q Good afternoon, Mr. Price. We're back from</p> <p>3 lunch. You understand that you're still under oath,</p> <p>4 correct?</p> <p>5 A I do.</p> <p>6 Q Sir, do you recall that in early October 2005</p> <p>7 Refco and Beeland exchanged drafts of a standstill</p> <p>8 agreement that contemplated pushing back the</p> <p>9 consummation of any business arrangement between the</p> <p>10 parties to at least December of that year?</p> <p>11 A Refco and Beeland?</p> <p>12 Q Yes.</p> <p>13 A Yes, I recall a standstill agreement.</p> <p>14 Q Were you involved in any way in negotiating that</p> <p>15 agreement?</p> <p>16 A No.</p> <p>17 Q What is your understanding of why the parties</p> <p>18 were negotiating a standstill agreement in October 2005?</p> <p>19 A And I'd like to take a look at the standstill</p> <p>20 agreement. I mean, my recollection is I remember a</p> <p>21 standstill agreement, but. And I might be of more help</p> <p>22 to you.</p> <p>23 MR. DOYLE: Let's go ahead and mark this as</p> <p>24 the next exhibit.</p> <p>25 (Document marked as Deposition</p>	<p style="text-align: right;">Page 117</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 A Was this signed by myself or was it signed by</p> <p>3 Robert Mercorella?</p> <p>4 Q That was going to be one of my questions, as to</p> <p>5 whether or not this was ever executed. Do you know as</p> <p>6 you sit here today?</p> <p>7 A I don't recall executing this agreement.</p> <p>8 Q Okay. Do you know whether this standstill</p> <p>9 agreement arose from a desire by one of the parties,</p> <p>10 meaning either Refco or Beeland, to delay the execution</p> <p>11 of -- or consummation of some type of business</p> <p>12 arrangement between the parties?</p> <p>13 A As I said, I recall that there was a standstill</p> <p>14 agreement. I don't recall specifically what it was for.</p> <p>15 And looking at the date, the date of that, I really just</p> <p>16 don't know.</p> <p>17 Q You don't recall as you sit here today?</p> <p>18 A That's correct.</p> <p>19 Q Okay. Do you recall, sir, whether or not this</p> <p>20 standstill agreement -- Well, let me strike that</p> <p>21 question.</p> <p>22 In October of 2005, later in this month, was</p> <p>23 the time when Refco's financial problems came to light</p> <p>24 and then the company subsequently filed for bankruptcy,</p> <p>25 correct?</p>

30 (Pages 114 to 117)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law

WALTER THOMAS PRICE, III - 1/18/2012

<p style="text-align: right;">Page 126</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 Rogers Funds review any other audit reports or audited</p> <p>3 financial statements of any Refco entity in 2005?</p> <p>4 A You know, I can't tell you that because I don't</p> <p>5 know what all Mr. Goodman may have looked at at the same</p> <p>6 time. But had there been something that would have been</p> <p>7 negative, I'm sure he would have brought it to my</p> <p>8 attention.</p> <p>9 Q Okay. And I'm not asking you to speculate about</p> <p>10 what might have been done by Mr. Goodman. What I'm</p> <p>11 asking you is, as the designee of the Rogers Fund at</p> <p>12 this deposition, to the best of your knowledge, did</p> <p>13 anyone else either on behalf of Beeland or the Rogers</p> <p>14 Fund at any point in time in the year 2005 review any</p> <p>15 audit reports or audited financial statements of any</p> <p>16 Refco entity, aside from the report contained in the IPO</p> <p>17 offering that you've already testified about here today?</p> <p>18 A To the best of my knowledge, there was more than</p> <p>19 just the opinion, but, on the same token, I can't be</p> <p>20 specific with you right now and put a point on that. I</p> <p>21 think -- I wish I could help you more. I can't.</p> <p>22 Q To your knowledge, Mr. Price, during the period</p> <p>23 of time when a potential business deal was being</p> <p>24 discussed between Beeland and Refco, did anyone from</p> <p>25 Beeland or the Rogers Funds ever view the stand-alone</p>	<p style="text-align: right;">Page 128</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 same conference room, on the same day, and I was more</p> <p>3 than happy to facilitate that to make the move easier.</p> <p>4 So we facilitated it by -- I believe we opened</p> <p>5 one probably for the Rogers Raw Material Fund and one</p> <p>6 for the Rogers International Raw Material Fund. I could</p> <p>7 be mistaken if there's a third one, but certainly I know</p> <p>8 that we were bound to have opened two.</p> <p>9 Q Okay. Let me try to drill down a little bit on</p> <p>10 that and just make sure I understand it. The Rogers</p> <p>11 Funds themselves were only going to be trading in</p> <p>12 commodities futures, correct?</p> <p>13 A We had only traded in commodity futures.</p> <p>14 Q Okay. And when you say that Diepason sometimes</p> <p>15 used FX, can you explain that a little bit more?</p> <p>16 A Well, Diepason was in Switzerland. The majority</p> <p>17 of the commodities they dealt with were dollar based.</p> <p>18 Most of their clients were euro based. The dollar had</p> <p>19 strength. The euro had weakness.</p> <p>20 So they hedged a great deal of their -- the</p> <p>21 currency risk, but we were looking at the small number</p> <p>22 of contracts that we had in Japan, Canada, the UK, and,</p> <p>23 of course, the LME can be denominated the other way.</p> <p>24 So if the dollar's going up, we felt that if we</p> <p>25 needed to hedge, we could do whatever we needed to do by</p>
<p style="text-align: right;">Page 127</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 audit reports on RCM?</p> <p>3 A I don't recall.</p> <p>4 Q Okay. Sir, let's turn now to the Rogers Funds</p> <p>5 accounts at RCM. The Rogers Funds opened a number of</p> <p>6 accounts with Refco Capital Markets in September 2005,</p> <p>7 correct?</p> <p>8 A Correct.</p> <p>9 Q How many accounts in total did RCM -- Strike the</p> <p>10 question.</p> <p>11 How many accounts in total did the Rogers Funds</p> <p>12 open at RCM?</p> <p>13 A My guess would have been two, possibly three.</p> <p>14 Q When you say two, possibly three, do you mean</p> <p>15 for each fund?</p> <p>16 A Yes.</p> <p>17 Q Can you explain to me the purpose for opening</p> <p>18 these multiple accounts at RCM?</p> <p>19 A Sure. At this point in time it was pretty clear</p> <p>20 that the business was being moved to Diepason to execute</p> <p>21 for Refco. It had been made very clear. And in trying</p> <p>22 to be facilitory, being the general partner, I knew that</p> <p>23 sometimes Diepason used FX.</p> <p>24 So they -- Refco asked me to -- if I wouldn't</p> <p>25 mind getting those done all at the same time, in the</p>	<p style="text-align: right;">Page 129</p> <p>1 30(B)(6) ROGERS FUNDS - WALTER T. PRICE, III - 1-18-12</p> <p>2 doing it with a Chicago Mercantile contract. I was</p> <p>3 aware that Diepason in the past had used FX. So if they</p> <p>4 were going to be executing a trade, we looked at it and</p> <p>5 said, fine, we'll be happy to try to make this</p> <p>6 transition -- transition until such time as I'm no</p> <p>7 longer the general partner, which could have been any</p> <p>8 given day. We will get those accounts opened over here</p> <p>9 for you in case you need to put a trade on.</p> <p>10 In fact, there was a delay of one month as I</p> <p>11 recall.</p> <p>12 Q A delay -- What's the delay you're referring to?</p> <p>13 Between the time you attempted to open the account and</p> <p>14 the time it opened or what?</p> <p>15 A I was trying to think if that had even anything</p> <p>16 to do with the standstill, and I don't think it did. I</p> <p>17 think it was just the paperwork and people trying to get</p> <p>18 their ducks in line.</p> <p>19 Diepason really was going to do the roll a</p> <p>20 month earlier, and they weren't prepared to do it, or we</p> <p>21 weren't prepared to allow them to do it, and we did it</p> <p>22 ultimately.</p> <p>23 Q At the time that the Rogers Funds' FX accounts</p> <p>24 were opened at RCM, had any contracts or agreements been</p> <p>25 signed with Diepason?</p>

33 (Pages 126 to 129)

Merrill Corporation - New York

1-800-325-3376

www.merrillcorp.com/law